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April 24, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Lower Cotton Valley Formation, Reservoir A; and D
Sand of the Cotton Valley Zone; GREENWOOD-
WASKOM FIELD, Caddo Parish, Louisiana.

Dear Sir:

GREYSTONE OIL & GAS, L.L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Lower Cotton Valley Formation, Reservoir A; and to the D Sand of the Cotton Valley Zone; all in the Greenwood-Waskom Field, Caddo Parish, Louisiana:

Lower Cotton Valley Formation Reservoir A

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated LCV RA SUJ.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Applicant as Operator of, and its Turner No. 1 Well as the unit well for, the proposed additional unit.
4. To redefine the Lower Cotton Valley Formation, Reservoir A, insofar and only insofar as to the proposed unit LCV RA SUJ and the existing unit LCV RA SUH, as being that gas and condensate bearing interval encountered between the measured depths of 8,771 feet and 9,990 feet, electric log measurements, in the Elgie Company, Inc. (formerly Amoco Production Company)--Eugene F. Dunn No. 1 Well (SN 169220), located in Section 2, Township 16 North, Range 16 West, Caddo Parish, Louisiana.

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5. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 270-V, effective July 31, 1981, as amended and supplemented by the Order No. 270-V series of Orders, and of all applicable Statewide Orders, to the proposed additional unit.

6. To authorize the downhole combination of production from the Lower Cotton Valley Formation, Reservoir A, and the D Sand of the Cotton Valley Zone, in the wellbore of any well drilled on the identical units LCV RA SUJ and CVD SUOO, or on the identical units LCV RA SUH and CVD SUHH, in which the interests in the units are identical.

7. To discuss such other matters as may be pertinent to the Lower Cotton Valley Formation, Reservoir A.

The Lower Cotton Valley Formation, Reservoir A, in the Greenwood-Waskom Field, Caddo Parish, Louisiana, is currently defined in Office of Conservation Order No. 270-V, effective July 31, 1981.

D Sand of the
Cotton Valley Zone

1. To authorize Applicant to drill, designate and utilize its Turner No. 1 Well, at the location shown on an attached plat, as the substitute unit well for CVD SUOO, in exception to the spacing provisions of Office of Conservation Order No. 193-B, effective January 5, 1954.

2. To authorize Applicant to drill, designate and utilize its Querbes 18 No. 1 Well, at the location shown on an attached plat, as an alternate unit well for CVD SUHH, in exception to the spacing provisions of Office of Conservation Order No. 193-B, effective January 5, 1954.

3. To designate Applicant as operator of the proposed alternate unit well for CVD SUHH, and to authorize Applicant to report production from such well separately from the unit well which is operated by D-S-B Properties, Inc.

4. To find that the proposed substitute and alternate unit wells are necessary to efficiently and economically drain a portion of the hydrocarbons underlying these units which cannot be efficiently and economically drained by any existing wells within these units.

5. To discuss such other matters as may be pertinent to the D Sand of the Cotton Valley Zone.

The D Sand of the Cotton Valley Zone in the Greenwood-Waskom Field, Caddo Parish, Louisiana, is defined in Office of Conservation Order No. 193-B, effective January 5, 1954.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person

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wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

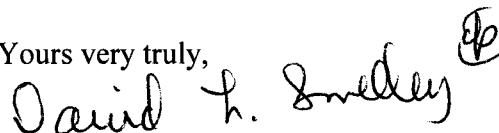
By letter dated April 10, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set May 3, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Greenwood-Waskom Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,



David L. Smelley

-- Attorney for Greystone Oil & Gas, L.L.P.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Carl Drews (w/encls.)
Mr. Joe Adams (w/encl.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

